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RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

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SUBJECT: MGLE01: LEBANESE INDUSTRY LAUNCHES PROMOTIONAL
CAMPAIGN

¶1. On March 8, the Lebanese Industrialists Association (LIA) in conjunction with Industry Minister Pierre Gemayel launched a campaign to promote Lebanese industry. Bumper stickers, billboards and a clever ad campaign aimed at Lebanese youth will send this simple message to the Lebanese: "Love Lebanon. Love its industry." Gemayel told the press, "The Lebanese should be proud of local industry which is on the same par with European and American counterparts." Fadi Abboud, the President of LIA, told the press that promoting Lebanese industry was "crucial" because Lebanon's economic survival "depends on more job opportunities."

¶2. During a March 9 meeting, Abboud told Econoff that Lebanese industry has an "historical problem" of being seen as inferior to European and American industry. He said that LIA is spending USD one million on a media campaign directed by advertising agency IMPACT/BBDO to help change perceptions. Abboud would like to see more GOL support of Lebanese industry, particularly in helping to make exporting easier. Despite exports that increased to USD 1.88 billion in 2005, Lebanon's imports remain disproportionately higher at nearly USD 9.34 billion. Abboud cited high energy costs and social security costs as two production costs that are hurting Lebanese producers. Abboud told Econoff that unfair non-tariff barriers had hurt Lebanese industry in trade accords with Egypt, Saudi Arabia, Syria, and Jordan. Abboud said that Economy Minister Haddad's November 2005 promise "to halve the costs of exporting" was not working, as indirect shipping and transport fees paid towards a corrupt bureaucracy made Lebanese products uncompetitive when they left Lebanese ports.

FELTMAN